ABSTRACT

Customer Relationship Management (CRM) is the backbone of retail marketing. It is a customer focused business strategy designed to maximize sales. It not only helps in enhancing the profitability but customer loyalty also. CRM is the tool which facilitates interaction with a large number of clients through the most efficient, fastest and most complicated as well as sophisticated channel of communication. CRM helps in managing all interactions and business with a large number of customers spread over a wide area of business. The retail marketing is on the growth in India, as India is the fastest growing economy of the world with annual growth rate exceeding 7.5 percent. The retail trade is now a crucial sector of Indian Economy. In this paper an evaluation of CRM has been made in strengthening retail marketing. This paper emphasizes on challenges and opportunities of CRM. Main focus of the study is on the benefits which may accrue from CRM to the enterprises and the customers.

Keywords: CRM; Efficiency; Strategy; Dysfunctional

INTRODUCTION

Customer Relationship Management (CRM) has been the centre of focus for many retailers. Building an effective and efficient customer relationship is a prioritized task which many retailers tend to achieve with a view to enhance customer value acquisition. CRM is a widely used terminology for managing an enterprise’s interactions with clients, customers and sales personnel. It entails technology to organize, automate and synchronize business processes- mainly sales based activities. In the field of retail marketing CRM is of paramount importance. Its basic or main objectives are to find, attract and acquire new clients, nurture and retain those the enterprises already has with it. It is noteworthy to mention that as much as former clients are back into the fold, it would result in reduction in overall cost of marketing and client service. CRM explains business strategy of an enterprise including customer-interface departments as well as other departments. For the implementation of the strategy measurement and valuation of CRM is essential.

Definitions

Philip Kotler and Kevin Lane Keller have defined CRM, “This is the process of managing detailed information about individual customers and carefully managing all customer “touch points” to maximize customer loyalty. A customer touch point is any occasion on which a customer encounters the brand or product – from actual experience to personal or mass communications to casual observations.” CRM is a horizon which may be obtained through customer loyalty building and affects the prospects of retail marketing.

Customer loyalty comprises methodologies, techniques, capabilities and strategies to have undertaken in creating a perceived value for customers in a competitive market so that customers appeal is directed and switched toward particular business. Philip Kotler and Kevin Lane Keller define customer define loyalty partially quoted from Oliver as “Consumers have varying degrees of loyalty to specific
brands, stores and companies. Oliver defines loyalty as “A deeply held commitment to re-buy or re-patronize a preferred product or service in the future despite situational influences and marketing efforts having the potential to cause switching behavior.”

Michael Levy and Barton A. Weitz have put customer loyalty in different way saying, “Customer loyalty, the objective of CRM is more than having customers make repeat visits to a retailer and being satisfied with their experiences and merchandise they purchased. Customer Loyalty to a retailer means that customers are committed to purchasing merchandise and services from the retailer and will resist the activities of competitors attempting to attract their patronage. They have a bond with the retailer, and the bond is based on more than a positive feeling about the retailer.”

OBJECTIVES
The present paper focuses on achieving the following specific objectives:

1. To find positive aspects of CRM
2. To analyse challenges & Opportunities of CRM
3. To find hurdles in the implementation?

RESEARCH DESIGN AND METHODOLOGY
The study is based on primary data only. For the collection of the data 10 big retail outlets were selected by stratified random sampling technique. All these retail outlets have hi-tech computerized system with CRM system. Primary data have been collected by means of asking some questions, conducting interviews, inviting comments, observation, opinion etc. of the persons directly / indirectly concerned with retail sector specially retail marketing.

Positive Aspects of CRM
Customer Relationship Management (CRM) system is used in large retail houses because of its following positive aspects –

1. It is customer oriented business strategy
2. It optimizes revenue, profitability and customer loyalty
3. It facilitates interaction with clients
4. It strengthens communication system
5. It coordinates all the departments of an organization

Challenges of CRM
CRM if developed successfully, implemented and applied efficiently to its full potential may prove of huge use to the organization. Instances of CRM attempting to contain a large and complex group of data can become cumbersome and difficult to understand for an ill-trained user. Besides, an interface that is difficult to navigate or understand can hinder the CRM’s effectiveness, causing user to pick and choose which areas of the system be taken to use, while others may be pushed aside. Such fragmented implementation of CRM may produce inherent challenges, as the use of only certain parts may not lead the system at the point of being fully functional. The growing use of CRM software has also led to an industry-wide shift in evaluating the role of the developer in designing and maintaining its software. The different organizations engaged in retail marketing are urged to consider the overall impact of a viable CRM software suit and the potential for good or harm in its use.

Unawareness of the CRM System
The most significant challenge, a CRM system faces is unawareness of it. With a difficult interface for a user to navigate, implementation can be fragmented or not entirely complete. The importance of usability in system has developed within a very short period. Customers are likely not as patient to
work through malfunctions or gaps in user safety and there is an expectation that the usability of systems should be somewhat intuitive: “it helps make the machine an extension of the way I think ----- not how it wants me to think.” An intuitive design can prove most effective in developing the content and layout of a CRM system. Some case studies on CRM have revealed that the layout of a system provides a strong correlation to the ease of use for a system and that it proved more beneficial for the design to focus on presenting information in such a way as may reflect the most important goals and tasks of the user rather than the structure of the organization. This “ease of service” is of paramount importance for developing a system that is of practical use and beneficial to the organization.

It has also been evidenced from the case studies that the growth of the capabilities and complexities of systems has hampered the applicability of CRM system. An excessive complex computerized system may result in an equally complex and non-friendly user interface and hence not allowing the system to work as fully desired. Such bloated software may seem sluggish and/ or overwhelming to the user, keeping the system from full use and potential. Experience has shown that each item added to an information display can significantly affect the overall experience of the user of the CRM system.

**Complexities in System**

In big enterprises, tools and workflows can be complex. Few years ago these tools were mostly limited to simple CRM solutions. It focused on monitoring and recording interactions and communications. Subsequently software solutions expanded to embrace deal tracking, territories, opportunities and the retail sales pipeline itself. At later stage tools for the other client – interface business functions came into existence. These tools have been, and till date are offered as on-premises software that enterprises purchase and take into use on their own IT infrastructure. In this way there are so many complexities in the practical application and Implementation of CRM system.

**Fragmentation a Big Problem**

Generally, poor usability may result in fragmented implementation------quite isolated initiatives by the individual departments to address their own needs. Experience has revealed that systems that start disunited generally pause that way and the decision processes frequently lead to separate and incompatible system as well as dysfunctional processes. It is bitter truth that a fragmented implementation can negate any financial benefit accrued from CRM system, as organizations choose not to take in use all relevant features factored when justifying the investment. In place of it, it must be taken into consideration that support for the CRM system is enterprise wide. This challenge of fragmented implementation may be overcome with the help of latest upgradation in late-generation CRM systems being used for retail marketing.

**Adverse Impact on Goodwill**

In the modern era of tough competition building as well as maintaining of strong business goodwill has become very difficult and challenging. Evil effects of internal fragmentation being observed and commented upon by the customers are easily visible to the whole world as modern era is the era of social customer. While in the past only employees or partners was aware of such fragmented implementation. In true sense fragmentation may be addressed by a shift in philosophy and mindset in an enterprise everyone now considers the impact because of policy, decisions and actions of the customers. One displeased customer can deliver a body blow to a business. Some developments and shifts have made organizations more conscious of the life cycle of a CRM system. It has now become the tendency of the organizations that they take seriously the possibility of brand loyalty and persistence of its users to purchase updates upgrades and future editions of software. Poor usability and low usage rates combined have indicated that it is difficult to justify investment in the software without the potential for more tangible gains. In this way CRM systems face the challenge of producing viable financial profits.
Security Concerns

One of the biggest concerns faced by the developers and the users of CRM systems has been noticed in striking a balance between ease of use in the CRM interface and suitable as well as acceptable security measures and features. The organizations who invest in CRM software do so with expectation of a relative ease of use. Along with this that also intends that customer profiles and other sensitive data may remain quite secure. Case studies have shown that striking a balance between ease of use and security of CRM system can be difficult, as the experts in large number believe that any improvement in security may come only at the expense of system usability.

Various researches undertaken and studies made have shown the importance of designing and developing such a technology as balances a positive user interface with security features that meet business requirements and corporate standards. Experts of this field are of the view that security and usability may coexist harmoniously. In large number of ways, a secure CRM system can become more usable. It has also been evidenced that in most of the cases, security breaches were the result of user-error such as unintentionally downloading and executing a computer virus. In such cases, the computer system acted as it should in identifying a file and then, following the user’s orders to execute the file, exposed the computer and network to a harmful virus. Most of the researchers are of the view that a more usable system creates less confusion lessens the amount of potentially harmful errors, in turn building a highly safe and stable CRM system.

Opportunities of CRM

Customer Relationship Management (CRM) is of utmost importance in retail marketing. The growth in retail turnover depends upon sound CRM system to a large extent as it provides the following opportunities:

1. It broadens market access
2. It attracts new customers through networks and retains the old ones
3. It helps in enhancing service quality
4. There is increase in the number of customers
5. There is also increase in the number of repeated customers
6. It is conducive in increasing the revenue

CRM opportunities and benefits may be well understood with the help of data given in the following table:

<table>
<thead>
<tr>
<th>Serial No.</th>
<th>Opportunities &amp; Benefits derived from CRM</th>
<th>Cumulative value</th>
<th>Mean value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Broadening of Market access</td>
<td>16</td>
<td>1.6</td>
</tr>
<tr>
<td>2</td>
<td>Attracting new customers through networks and retaining the old ones</td>
<td>19</td>
<td>1.9</td>
</tr>
<tr>
<td>3</td>
<td>Enhancing service quality</td>
<td>14</td>
<td>1.4</td>
</tr>
<tr>
<td>4</td>
<td>Increase in the number of customer</td>
<td>18</td>
<td>1.8</td>
</tr>
<tr>
<td>5</td>
<td>Repeated customers</td>
<td>12</td>
<td>1.2</td>
</tr>
<tr>
<td>6</td>
<td>Increase in revenue</td>
<td>22</td>
<td>2.2</td>
</tr>
</tbody>
</table>

Source: Based in case studies conducted

FINDINGS

CRM which is the center of focus for many retailers is of paramount importance in the field of marketing. An enterprise can strengthen marketing with help of CRM system. CRM covers strategy,
system and Information Technology all. Its communication channels are – service center, retail branch, call center, Internet virtual community E-mail. Customer impression, satisfaction and dissatisfaction all collectively affect the volume of profit. Hence, there is need to evaluate customer satisfaction. CRM entails customer knowledge, interaction, satisfaction and value. CRM has entered the revolutionary domain, of e-business and follows certain rules a retailer is required to know.

CONCLUSION

CRM has opened new horizons for a more outstanding performance in retailing and facilitate the process of achieving retail sustainable growth and profitability and help retailers pave their way through competitive marketing in a more effective and efficient way. The CRM system is used after overcoming the inherent challenges and the retailers must take advantage of opportunities and benefits which may accrue from it.

REFERENCES